REMARKS

Claims 1-35 are pending in the application. Claims 1, 34 and 35 are the independent claims.

Statement of Substance of Interview

Applicant expresses his sincere appreciation to Examiners Alpert and Millin for the courtesies extended at the personal interview on October 26, 2004, and provides this Statement of Substance of Interview in compliance with M.P.E.P. 713.04:

(A) Exhibits. Applicant conducted a computer demonstration of an electronic order book in accordance with an embodiment of the invention.

(B) Claims. The independent claims were discussed.

(C) Prior art. Gary (U.S. Patent No. 6,618,707 B1), limit orders and negotiation among block brokers were discussed.

(D) Amendments. Examiner Millin requested that Applicant insert the word "computer" in the body of the independent method claim (claim 1) to satisfy the PTO's position regarding 35 U.S.C. § 101 statutory subject matter.

(E) Principal arguments by Applicant. The claims are not anticipated nor suggested by limit orders, because limit orders trade *at* a market value, not *away from* a market value as claimed in the independent claims.

(F) Other matters. Examiner Millin inquired as to whether the current invention is merely an automation of the known manual activity whereby traders call each other to negotiate block trades on behalf of their respective client institutions. Applicant satisfied the Examiner by explaining that negotiations for block trading are based on a mutually agreed upon price between the buyer and seller, as opposed to a mutually agreed upon distance away from market value as reflected in the present invention.

Pursuant to Examiner's Millin's request to identify support for this distance in the claim language, Applicant notes that the independent claim language "upon acceptance of the order by a second party at a particular price, determining . . an updated market value of the financial instrument," coupled with the independent claim language "completing the order only if the accepted price is at least the predetermined distance . . . away from the updated market value," serves to ensure that orders are completed at a specific distance away from market value.

(G) Outcome. Although Applicant may not agree with the PTO's position requiring the word "computer" in the body of the independent method claim (claim 1), Applicant nonetheless agreed to comply with Examiner Millin's request to insert the word "computer" into the body of the independent method claim (claim 1) in order to expedite allowance.

The Claims Are Not Indefinite

The Office has rejected claims 1-35 under 35 U.S.C. § 112, second paragraph,[1] as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In particular, the Office contends that the body of the claims contemplates two possible scenarios – the completion of an order both *at* and *within* a minimum predetermined distance and direction – without providing claim language devoted to the latter scenario.

Applicant respectfully traverses this contention because it does not appear to reflect a correct understanding of the claimed invention. The claims are directed, in part, to completing an order *only if* an accepted price is *at least* a predetermined distance and a predetermined direction away from an updated market value.[2] Applicant submits that the claim language

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[1] The action appears to mistakenly provide a quotation from 35 U.S.C. § 112, first paragraph, since no first paragraph rejection is set forth.

[2] For example, independent claim 1 recites, *inter alia*, "completing the order only if the accepted price is at least the predetermined distance and the predetermined direction away from the updated market value." Each of the other independent claims recites similar language.

possesses the clarity and precision required by 35 U.S.C. § 112, second paragraph, and that no further claim language is required under this section.

The Claims Are Not Anticipated by Gary

The Office has rejected claims 1-9, 15-18, 26 and 34-35 under 35 U.S.C. § 102(e) as being anticipated by Gary (U.S. Patent No. 6,618,707 B1). Applicant respectfully traverses this rejection, and submits that each pending claim is patentably distinguishable over Gary.

In order for a claim to be anticipated under 35 U.S.C. § 102, the reference must disclose, either expressly or inherently, each and every element as set forth in the claim. M.P.E.P. § 2131. Such anticipation does not occur in the instant application, however, because Gary fails to disclose each and every element as set forth in the pending claims for at least the following reasons.

Gary Does Not Teach or Suggest Receiving an Order To Trade Away From a Market Value of a Financial Instrument

Independent claim 1 recites, in part, "receiving . . . an order to trade a financial instrument at a predetermined distance and predetermined direction away from a market value of the financial instrument." Independent claims 34 and 35 recite similar limitations. Gary neither teaches nor suggests such a limitation.

In the action, the Office contends that this limitation is met by the placement of a limit order on an exchange. Gary, col. 7, lns 35-39. Applicant respectfully traverses the Office's contention because a limit order trades *at* a market value, not *away from* a market value as claimed. In fact, Gary explicitly confirms this fact by stating that "a limit order *cannot* be filled [when] the price bid or offered is *outside* the market." Gary, col. 3, lns 27-28 (emphasis added).

Accordingly, for at least this reason, Gary does not anticipate independent claims 1, 34 or 35. Furthermore, as each of the dependent claims depend from and further limit claim 1, Applicant respectfully submits that for at least the same reason as above the dependent claims are also not anticipated by Gary under 35 U.S.C. § 102.

Gary Does Not Teach or Suggest Completing an Order Only If an Accepted Price is at least a Predetermined Distance and Direction Away From an Updated Market Value

Independent claim 1 recites, in part, "completing the order only if the accepted price is at least the predetermined distance and the predetermined direction away from the updated market value." Independent claims 34 and 35 recite similar limitations. Gary neither teaches nor suggests such a limitation.

In the action, the Office contends that this limitation is met by the process of executing the better of a price on a local exchange versus a price on an "away market" (i.e., a competing exchange). Gary, col. 24, lns 19-23. Applicant respectfully traverses the Office's contention, and notes that the Office appears to have mistaken an *away market* with trading *away from* a market value. In Gary, both types of exchanges (i.e., the local exchange and the away market) trade *at* a market value (e.g., the best price), not *away from* a market value as claimed.

Accordingly, for at least this reason, Gary does not anticipate independent claims 1, 34 or 35. Furthermore, as each of the dependent claims depend from and further limit claim 1, Applicant respectfully submits that for at least the same reason as above the dependent claims are also not anticipated by Gary under 35 U.S.C. § 102.

The Claims Are Non-Obvious Over Gary

The action rejects dependent claims 10-14, 18-25 and 27-33 under 35 U.S.C. 103(a) as being unpatentable over Gary. Applicant respectfully submits that the action does not establish a *prima facie* case of obviousness, because the suggestions or motivations provided by the action do not cure the deficiencies of Gary (the 35 U.S.C. § 102 art) as explained above.

Accordingly, Applicant submits that all of the pending claims, independent and dependent, are non-obvious over Gary under 35 U.S.C. § 103.

CONCLUSION

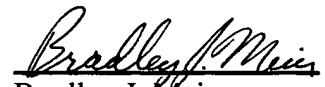
It is respectfully submitted that, in view of the foregoing amendments and remarks, the application is in clear condition for allowance. Issuance of a Notice of Allowance is earnestly solicited.

Although not believed necessary, the Office is hereby authorized to charge any fees required under 37 C.F.R. § 1.16 or § 1.17 or credit any overpayments to Deposit Account No. 11-0600.

The Examiner is invited to contact the undersigned at 202-220-4200 to discuss any matter regarding this application.

Respectfully submitted,

Dated: November 16, 2004



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